

In June 2002, only one agency – the National Science Foundation – met the “green” standards of success for the Improved Financial Performance initiative. Today, eight agencies have achieved this distinction, meaning they have met important financial objectives, such as receiving an unqualified opinion on their financial statements and reporting no material weaknesses. We look forward to seeing continued progress and improvement by the remaining 16 agencies in meeting these same financial standards of success.

Over the last few years, several financial reforms and initiatives have been introduced to instill additional discipline in Federal financial management organizations. These efforts include:

- Accelerating financial statement preparation and reporting to approximately 45 days, compared to five months just four years ago;
- Strengthening management's responsibility for internal control through a revision of the Office of Management and Budget (OMB) Circular A-123, *Management's Responsibility for Internal Control*; and
- Implementing the Improper Payments Information Act of 2002 to better detect, prevent, and eliminate improper payments to ensure that taxpayer dollars are spent wisely and efficiently.

As a new foundation for financial performance is built, it is the job of OMB and the Federal agencies to ensure that improvement efforts yield meaningful results. Taxpayers must know that Federal dollars are well accounted for and agency leaders are relying on timely and accurate financial data to make critical management decisions. This can only happen with the following:

- An agreed-upon definition of the intended outcome;
- A clear measure of progress in achieving the outcome; and
- An accountability structure to ensure that agency leaders provide the necessary attention and resources to achieve success.

Through the President's Management Agenda, OMB monitors agency progress to make certain that on a quarterly and annual basis, measurable progress is realized and results are achieved. If efforts fall off-course, OMB and agencies will be able to respond accordingly to ensure that course corrections come swiftly and transparently. Eight agencies have now successfully followed this path to “green,” and by doing so, have provided the other agencies with a clear roadmap for arriving at this same destination.